

UNCLASSIFIED
CONFIDENTIAL

Brian R Naranjo 03/13/2002 08:08:14 AM From DB/inbox: Brian R Naranjo

T69
RELEASED IN PART
B1, 1.4(D)

Cable Text:

CONFIDENTIAL
TELEGRAM

March 08, 2002

To: SECSTATE WASHDC - IMMEDIATE

PAGES MISSING

Action: WHA

From: AMEMBASSY CARACAS (CARACAS 586 - IMMEDIATE)

TAGS: ECON, BPET, ENRG, VE

Captions: None

Subject: TURMOIL CONTINUES AT PDVSA

Ref: CARACAS 500

1. (U) Classified by CDA Frederick Cook for reasons 1.5 (B) and (D).

2. (SBU) Summary: Protest activities at the state-owned Petroleos de Venezuela, S.A. (PDVSA) are quickly coming to a climax. PDVSA employees have called for the removal of a number of the Board members named by President Chavez on February 25. PDVSA President Parra stated publicly on March 5 that the Board members should follow their own consciences in deciding whether to resign. This has been interpreted as the first public sign of negotiations between the company and the Chavez Government. One source has reported that three Board members will step down on March 7 which will defuse the crisis.

[Redacted]
End summary.

3. (U) For the past two weeks, PDVSA employees nationwide have been protesting the Chavez Administration's February 25 appointment of a new Board of Directors. While numerous issues surrounding the relationship between the company and the Chavez Government are now emerging in the public debate, the active protests have centered around the appointment of mid-level managers, better known for their political sympathies than their technical or managerial abilities, to the PDVSA Board.

BACKGROUND

4. (U) As reported reftel, the slate of Board members includes the following:

Principal Directors and Vice Presidents:

Jorge Kamkoff Miller - As noted reftel, Kamkoff is one of only two members of the previous Board who were re-appointed. Kamkoff is a highly regarded PDVSA professional who was first appointed as Vice President in March 2001.

[Redacted]
Alfredo Riera Lozada - served most recently as the Managing Director of Bitor, the PDVSA affiliate which produces palm oil. Riera started his career in the industry working for Mobil. He entered PDVSA in 1982 and has had a number of managerial positions.

Full-time Principal Directors:

Carlos Mendoza Potella - served most recently as Venezuelan

CONFIDENTIAL

1

UNCLASSIFIED

~~CONFIDENTIAL~~

B1

Ambassador to Saudi Arabia. Mendoza is an economist who taught for 28 years at the Central University of Venezuela. In this capacity, he was well known as one of a circle of academics supporting Parra in his opposition to the opening of the Venezuelan Petroleum sector.

Luis Davila Puente - entered PDVSA in 1982 and has held a number of management positions in finance. Davila was named as Acting Director of Planning and Financial Control in 1999 and Executive Director of Corp orate Finance in June 2000.

Argenis Rodriguez Gonzalez - has worked as a geologist at PDVSA's research arm, INTEVRP. Argenis Rodriguez and is well known to OPEC Secretary General Ali Rodriguez. His CV mentions as a supporter of the Chávez Government. He is now an honorary professor that he has taught in Cuba and is now an honorary professor to the Cuban Ministry of Basic Industry. He reportedly skipped eight management levels with his appointment to the PDVSA Board.

Felix Rodriguez - has worked for 28 years in the petroleum industry. He has worked for the past eight month as Manager of Production Planning before that, he was the manager of the PDVSA Iquintillas District in Zulia State. Felix Rodriguez reportedly jumped six management levels.

Additional Addressees:
None

cc:

AMEMBASSY MEXICO
AMEMBASSY PORT OF SPAIN
AMEMBASSY BRASILIA
AMEMBASSY QUITO
AMEMBASSY LIMA
AMEMBASSY BOGOTA
OPEC COLLECTIVE

Distribution:

TED4110
ACTION WHA-00

INFO LOG-00	COR-01	MP-00	AID-00	AWAD-00	CRA-01	CIAR-00
CTME-00	DINT-00	DODE-00	DOTR-00	SRPP-00	RB-00	RXIM-01
R-00	FAAR-00	VC-00	PRB-00	H-01	TEOH-00	INR-00
ITC-01	L-00	VCE-00	AC-01	NSAR-00	NSCR-00	ORG-01
GMB-01	OPIC-01	PC-01	PN-00	PRS-00	ACE-00	SP-00
IRN-00	SSO-00	S8-00	STR-00	TRSE-00	USIB-00	EPAK-00
PMB-00	DRL-02	G-00	NPAT-00	SAS-00	/012W	

--723A7D 110310Z /38

O 081126Z MAR 02
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 4958
INFO USDOC WASHDC IMMEDIATE
DOD WASHDC IMMEDIATE

AMEMBASSY MEXICO
AMEMBASSY PORT OF SPAIN
AMEMBASSY BRASILIA
AMEMBASSY QUITO
AMEMBASSY LIMA
AMEMBASSY BOGOTA
OPEC COLLECTIVE

CONFIDENTIAL CARACAS 000586

CORRECTED COPY (MARGINS ADJUSTED)
E.O. 12958: DECL: 03/07/12

~~CONFIDENTIAL~~
2

UNCLASSIFIED

UNCLASSIFIED
CONFIDENTIAL

TAGS: ECON, EPET, ENRG, VE
SUBJECT: TURMOIL CONTINUES AT POVSA

REF: CARACAS 500

End Cable Text

Brian R Naranjo 03/13/2002 08:06:14 AM From DB/nbpx: Brian R Naranjo

CONFIDENTIAL

3

UNCLASSIFIED